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Coordination of development indicators in the context of follow-up to United Nations conferences and summits, including capacity-building

Report of the Rio Group on Poverty Statistics

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Statistical Commission the report of the Rio Group on Poverty Statistics (Convener: Brazil), which is contained in the annex. This document is transmitted to the Commission in accordance with a request of the Statistical Commission at its thirtieth session.[1]

The Statistical Commission is invited to discuss whether the mandate of the group is focused and the objectives are clear and attainable. The Commission may also wish to comment on the proposals for future work.

Notes

[1] *Official Records of the Economic and Social Council, 1999, Supplement No. 4* (E/1999/24), chap. I.B.

* E/CN.3/2000/1.

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Annex

Report of the Rio Group on Poverty Statistics

Purpose

The main objectives of the Rio Group on Poverty Statistics are to harness the experience and concerns of different groups and organizations in the world working on the measurement, interpretation and use of poverty statistics, especially when such work is being done by or in close contact with statistical offices. The identification of the indicators, methodologies and statistical sources being used should allow the preparation of a document or reports containing the state of the art in matters of poverty measurements, common procedures and best practices. Simultaneously, the most important difficulties could be identified and experts working with similar problems and topics could cooperate and thereby improve the quality and relevance of measurements.

Year organized

1996.

Participants

Countries

Argentina, Australia, Botswana, Brazil, Canada, Chile, Spain, France, India, Indonesia, Mexico, Nigeria, Peru, Portugal, South Africa, Turkey, Uruguay, United Kingdom of Great Britain and Northern Ireland, United States of America.

Agencies

Centro Latinoamericano de Demografia, Economic Commission for Africa, Economic Commission for Latin America and the Caribbean, Economic and Social Commission for Asia and the Pacific, Statistical Office of the European Communities, Inter-American Development Bank, International Labour Organization, United Nations Latin American and Caribbean Institute for Economic and Social Planning, Pan American Health Organization/World Health Organization, World Bank, United Nations Development Programme, United Nations Population Fund, United Nations Children's Fund, United Nations Statistics Division.

Meetings

First meeting: Santiago, 7-9 May 1997

Second meeting: Rio de Janeiro, 13-15 May 1998

Third meeting: Lisbon, 22-24 November 1999

Topics considered

Analytical classification of poverty measurements under way by participants; absolute and relative poverty; objective and subjective poverty; poverty indicators and poverty statistics oriented towards policy design and monitoring; within absolute poverty, the poverty line and the unmet basic need methods; methodological and procedural issues more widely used within different measurements of poverty; most important challenges in which participants are working; statistical sources used for poverty measurements; work under way to improve timeliness and quality of sources and estimates; institutional agreements towards comparability of measurements in different regions.

Products

Papers and final reports of the three meetings can be consulted on the Rio Group's web site at:

http://www.ibge.gov.br/poverty/

Planned activities (information given before the Lisbon meeting)

Poverty line methodology: thresholds and multipliers; updating: consumption patterns changes; countries regions estimates.

Income measurements: in close coordination with the Canberra Group; equivalence scales; public social expenditures.

Unmet basic needs: thresholds definitions, aggregation problems.

Poverty policies statistics: identification of origins of poverty situations, relation with politics towards vulnerable groups.

Statistical sources: longitudinal surveys, simultaneous use of different sources.

Expected future products (dates)

Due to the fact that the Lisbon meeting will be held at the end of November 1999, an oral presentation will be made at the thirtieth session of the Statistical Commission, in March 2000.

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Statistical Commission
Thirty-first session
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Item 8 of the provisional agenda*
International economic and social classifications

International economic and social classifications

Report of the Secretary-General

Summary

The present report was prepared at the request of the Statistical Commission at its thirtieth session with respect to the work on international economic and social classifications.[1] It provides an overview of how the recommendations of the Commission concerning international statistical classifications have been addressed since that session. The conclusions of the meeting of the Expert Group on International Economic and Social Classifications, convened in New York from 15 to 17 November 1999, are contained in the annex to the report. Points for discussion are set out in paragraph 15.

[1] See *Official Records of the Economic and Social Council, 1999, Supplement No. 4* (E/1999/24), chap. I.B.

* E/CN.3/2000/1.

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I. Status of recommendations

A. Recommendations on international classifications made by the Statistical Commission at its thirtieth session

1. At its thirtieth session (1-5 March 1999), the Statistical Commission:

(a) Endorsed the work programme as defined in the reports on statistical classifications (E/CN.3/1996/16, E/CN.3/1999/17 and the background document on the proposed work programme of the Voorburg Group on Service Statistics);

(b) Recommended that the Expert Group on International Economic and Social Classifications be the central coordinating body for implementing the proposed work programme and asked that the Expert Group carry out the tasks proposed for the International Standard Industrial Classification of All Economic Activities (ISIC) task force, as defined in document E/CN.3/1999/16;

(c) Decided that the United Nations Statistics Division should continue to invite all those agencies and countries that were key players in the development of classifications and ensure that developing countries participated;

(d) Requested that the Expert Group decide whether the Central Product Classification (CPC) sub-group would also be a sub-group of the Expert Group.

2. The present report provides a review of the activities undertaken and outputs produced in response to the above recommendations by the Commission. Section II states actions taken in the work programme of the Secretariat in the area of classifications. The annex to this report presents the conclusions and recommendations of the Expert Group on International Economic and Social Classifications regarding classification revisions, proposals to bring about the convergence of existing international and multinational classifications, and underlying principles. It also summarizes the action plan prepared by the newly formed Technical Sub-group to the Expert Group for updating and future revision of the International Standard Industrial Classification of All Economic Activities (ISIC)[1] and the Central Product Classification (CPC).[2]

B. Activities carried out in response to requests of the Commission

3. At the request of the Statistical Commission, the following main activities have been carried out in the area of statistical classifications since the thirtieth session of the Commission.

Classifications web site, Registry and hotline

4. The Classifications web site (www.un.org/Depts/unsd/class/class1.htm) has been expanded considerably in terms of its coverage. Among the most important new additions, users now have on-line access, through the Classifications Registry, to the International Standard Industrial Classification of All Economic Activities (ISIC, Rev.3), the Central Product Classification (CPC), Version 1.0 and the Classifications of Expenditure According to Purpose: Classification of the Functions of Government (COFOG); Classification of Individual Consumption According to Purpose (COICOP); Classification of the Purposes of Non-Profit Institutions Serving Households (COPNI); and Classification of the Outlays of Producers According to Purpose (COPP).[3] The Classifications Registry allows the user to look up all changes and corrections made to these classifications since publication and to browse through the complete structure of the supported classification, including the updated text of the detailed explanatory notes for the first time, an alphabetical index of ISIC, Rev.3, is made available to the public. An additional feature of the Classifications web site is a new historical series, called the chronology of revisions and updates, which focuses on the development of United Nations international classifications over the past 50 years.

5. The Classifications Registry continues to maintain a database with classification problems relating to ISIC and CPC and has started recording relevant information on the Classifications of Expenditure According to Purpose. In the Registry database, entries are made based on the information requests, questions and classification problems reported by national statistical offices and other agencies through the Classifications hotline (CHL@un.org). Along with the questions raised, the Registry records the solutions to resolve them provided by the United Nations Statistics Division in collaboration with the Expert Group.

Classifications Newsletter

6. The *Classifications Newsletter* was first published in December 1998. Now it is published three times per year and, starting in the year 2000, each new issue will be translated into all official languages of the United Nations. The *Newsletter* is disseminated in print and an electronic version is posted on the Classifications web site and also circulated through e-mail. The two-page *Classifications Newsletter* announces newly issued publications and technical materials related to United Nations statistical classifications. It also covers updates, new rulings, revision plans for classifications and classifications meetings.

Correspondence tables

7. Based on the contributions from members of the former CPC Sub-group of the Voorburg Group on Service Statistics, detailed correspondence tables of CPC Version 1.0 with respect to provisional CPC[4] have been elaborated. The CPC Version 1.0 publication already contains correspondences between the categories of CPC Version 1.0 and provisional CPC, which will be usefully supplemented by the results of this exercise. The detailed correspondence tables provide additional information for subclasses with partial correspondence, by explaining which exact part of the category is linked to the corresponding subclass. This correspondence table can serve as a practical conversion tool for those migrating from provisional CPC to CPC Version 1.0, or for those seeking clarification on the content of CPC Version 1.0 subclasses.

International training programmes

8. In 1999, two regional training workshops on classifications were conducted. The first workshop on the System of National Accounts (SNA) and Classifications was held for Caribbean countries in Curaçao, Netherlands Antilles, from 31 May to 4 June 1999. In addition to SNA issues, the workshop focused on the current implementation and use of CPC and ISIC by countries in the Caribbean region. The workshop was attended by more than 40 participants from 25 countries in the region and from a number of regional and international organizations. Hosted by the Bureau of Statistics of the Netherlands Antilles in Curaçao, the workshop was organized by the United Nations Statistics Division in collaboration with the Subregional Office for the Caribbean of the Economic Commission for Latin America and the Caribbean (ECLAC) and the Caribbean Community (CARICOM) secretariat.

9. Another training workshop on classifications was held for countries in the Asia-Pacific region in Canberra, Australia, from 27 September to 1 October 1999. The workshop was organized by the United Nations Statistics Division in collaboration with the Economic and Social Commission for Asia and the Pacific (ESCAP) and was hosted by the Australian Bureau of Statistics. In addition to the attendance of countries from the Asia and Pacific region, there was cross-regional representation from Africa and Europe. Participants discussed measures for further improved cooperation in the field of statistical classifications. The workshop focused on current implementation of activity and product classifications with special attention to ISIC and CPC. It also covered the use and users of ISIC and CPC in areas of national accounts, balance of payments, trade agreements and policy decision-making; and special user needs, including statistical and non-statistical applications of classifications and their impact on the design of classifications.

Publication status of United Nations classifications

10. Since its publication in English in 1998, CPC Version 1.0 has now been published in Chinese, French and Spanish.[5] The remaining language versions in Arabic and Russian are currently being prepared for publication.

11. The document containing the Classifications of Expenditure According to Purpose (COFOG, COICOP, COPNI and COPP), which was adopted at the thirtieth session of the Statistical Commission has been officially edited in English and is now being prepared for publication in all official languages of the United Nations. As of 1 January 2000, the Classifications of Expenditure According to Purpose are available through the United Nations Classifications web site as part of the Registry, along with ISIC and CPC.

Meetings of the Expert Group on International Economic and Social Classifications

12. The decision of the Statistical Commission at its thirtieth session that the Expert Group on International

Economic and Social Classifications should be the central coordinating body for implementing the proposed work, required a review of the role and expected tasks of the Expert Group. For this purpose, a preparatory meeting was held in New York on 9 and 10 June 1999 with the participation of a sub-group of members of the Expert Group. The proposals of the preparatory meeting were taken to the next scheduled meeting of the Expert Group in November 1999. The report of the meeting of the Expert Group held in New York from 15 to 17 November 1999 is included in the annex and includes the agreement reached with respect to establishing a Technical Sub-group to take action. As a first priority, it will take action on the implementation of the proposed programme on ISIC and CPC. The representatives of all those organizations and countries that are key players in the development of classifications were invited to both meetings.

13. In response to the recommendation of the Statistical Commission, the organizers of the above Expert Group meetings ensured the participation of developing countries. The United Nations Statistics Division provided funding support to six participants from developing countries to attend the Expert Group meeting and three of them were also invited to the preparatory meeting.

14. A Virtual Expert Group was established in early 1999 to help broaden the access to the expertise of other custodians of statistical classifications. The Virtual Expert Group is an Internet-based forum for discussing rulings and interpretations of CPC and ISIC. The role and functioning of the Virtual Forum were redefined and the participation of custodians was broadened.

II. Action taken by the Commission

15. The Statistical Commission is requested to respond to the strategy and time-frame laid out in the report for the completion of the proposed work programme. The Commission is requested to address the following questions:

(a) Does the Commission agree with the recommended actions to be taken by the members of the Expert Group for making the international family of economic and social classifications operational?

(b) Have the key players in the development of international and multinational classifications been satisfactorily included in the Expert Group and has representation of developing countries been ensured?

(c) Are the activities proposed for implementation, assessment and future revisions of ISIC and CPC appropriate for the needs and concerns of countries?

(d) Is the work programme satisfactorily orchestrated?

Notes

[1] *International Standard Industrial Classification of All Economic Activities*, Statistical Papers, No. 4, Rev.3 (United Nations publication, Sales No. E.90.XVII.11).

[2] *Central Product Classification (CPC), Version 1.0*, Statistical Papers, No. 77, Version 1.0 (United Nations publication, Sales No. E.98.XVII.5).

[3] *Classifications of Expenditure According to Purpose: Classification of the Functions of Government (COFOG); Classification of Individual Consumption According to Purpose (COICOP); Classification of the Purposes of Non-Profit Institutions Serving Households (COPNI); and Classification of the Outlays of Producers According to Purpose (COPP)*, Statistical Papers, No. 84 (United Nations publication, forthcoming).

[4] *Provisional Central Product Classification*, Statistical Papers, No. 77 (United Nations publication, Sales No. E.91.XVII.7).

[5] United Nations publications, Sales Nos. C.98.XVII.5, F.98.XVII.5 and S.98.XVII.5.

Annex

Conclusions and recommendations of the Expert Group on International Economic and Social Classifications (15-17 November 1999, New York)

A. Conclusions and recommendations of the Expert Group

I. Progress in work

1. Of the total 142 countries currently using the International Standard Industrial Classification of All Economic Activities (ISIC), there are 93 countries using national classifications based on ISC, Revision 3,[a] while the remaining 49 countries use national classifications derived from ISIC, Revision 2.[b] The Expert Group was pleased to learn that the implementation of ISIC, Rev.3, had further progressed. Since the preparation of the last Expert Group report one year ago, 45 additional countries have moved to ISIC, Rev.3.

II. International family of international economic and social classifications

2. The Expert Group approved the establishment of a Technical Sub-group of the Expert Group, and the agreement of its terms of reference. The Technical Sub-group is asked to take action on the implementation of the proposed programme on ISIC, Rev.3, and the Central Product Classification (CPC)[c] as a first priority and to report back to the Expert Group on progress, through the United Nations Statistics Division (UNSD).

3. With respect to ISIC as a member of the family of international economic and social classifications, the Expert Group offers the following conclusions.

4. The Expert Group:

(a) Recognizes the heavy burden placed upon ISIC owing to its historical importance in describing the whole of industry and the absence of other, more specific classifications;

(b) Acknowledges the significant improvements with respect to the potential for economic analysis that have occurred through the agreement on the 1993 SNA,[d] an international economic framework;

(c) Notes how important it is for statistical offices to implement the full set of internationally approved economic classifications of the 1993 SNA that support the study of industry (for example, the classification of the institutional sectors, of economic activity (ISIC), of products (CPC) and of expenditures according to purpose);

(d) Acknowledges the increasing demand upon statistical offices to provide statistics for economic and social policy and to further develop and implement the full set of required classifications of the international family;

(e) Recommends that, prior to setting the goals for further research and development of ISIC, timetables should be established with cut-off points and firm dates for making each decision whether to proceed with a component of the programme proposed, and a firm date for completion of each component undertaken;

(f) Recommends that ISIC be further refined, while recognizing that there is a well-identified bundle of classifications available to describe the necessary characteristics of industry.

III. Implementation of ISIC

5. The Expert Group agreed that ISIC should continue to be a major classification for country implementation. In that regard, countries' capacity to implement ISIC should be strengthened and more tools provided to facilitate its use, such as the simplified introduction, the alphabetical index and elaborated explanatory notes. Emphasis should be placed on adapting ISIC to national or regional use as distinct from adopting ISIC.

6. The Expert Group affirmed that the basic rules and conceptual underpinnings of ISIC needed improvement and clarification and requested that they be re-examined and/or new ones created, where necessary, to ensure relevance to the current economic structures.

7. Improved use of the existing ISIC might resolve a number of implementation problems. However, ISIC, Rev.3, has been based upon ideas from the 1970s, was created in the 1980s and is now implemented in the 1990s. Guidelines are necessary for fitting service activities into ISIC as it now stands, using the existing explanatory notes and category descriptions, and improving them as needed.

8. Agriculture and fishing need to be further elaborated for operationalizing ISIC, Rev.3, for some countries; and both ISIC and CPC need to be reviewed for their treatment of organic agriculture. The Expert Group expressed the view that organic farming, based on the inputs into the process, should be regarded as a different agricultural activity from farming using chemicals.

9. The Expert Group noted the extensive use of ISIC in a range of data-collection activities, including direct statistical surveys from businesses (where detail can sometimes be obtained about the precise nature of the activity and the products) and household surveys, and from administrative processes which were increasingly becoming an important source of statistical data. The Expert Group agreed that ISIC, and the tools to enable its use, needed to ensure that such data-collection activities could be well supported. This may require significant work and additional resources by the United Nations Statistics Division in regard to collecting and reviewing national experiences, so as to establish guidance on effective procedures, which lead to reliable statistics.

10. The Expert Group stressed the need for and usefulness of alphabetical indexes for ISIC, Rev.3. In this regard, specific commitments were made by the experts from Afristat, Canada and France to work on the development of the French index; by the experts from Botswana and India to furnish advice based on the specific problems that they experienced, leading to the further elaboration of the English index; and by the experts from Argentina and Mexico to contribute to the development of the Spanish index.

IV. Strategies for harmonization and convergence of activity classifications

11. In response to the request of the Director of the United Nations Statistics Division that progress should be accelerated in the convergence, harmonization and relevance of classifications, the Expert Group requested that the Technical Sub-group examine the following possibilities:

(a) As a first step in 2000, to consider the feasibility of improving ISIC regarding "information" by adding detail to it, perhaps through using the NAICS[e] approach, and by considering an optional alternate aggregation elevating information to the two-digit level;

(b) That such an improvement be regarded as a first step towards a greater convergence among the activity classifications to be formalized as part of a more comprehensive improvement or revision of ISIC targeted for implementation in 2007;

(c) To consider other high-priority areas for improvement — for example, wholesale trade, business services, transport and construction;

(d) As in any future improvements/revisions to ISIC, the needs of the users — in this case, of industry and activity information — should be given particular importance.

12. It is especially important that the Technical Sub-group examine the question what would be the optimal levels for international standardization and for regional and or national customization/adaptation of the classification.

13. The Expert Group requested that the work to be undertaken for ISIC focus on two goals:

(a) Preparation of an update of ISIC, Rev.3, in draft by the end of 2000, for approval by the Statistical Commission and submission for publication in 2001;

(b) Revision of ISIC in draft in 2004, to be approved by the Statistical Commission in 2005, prepared for publication in 2006 and implemented in 2007.

14. The work on the update is intended to make ISIC more operational and includes a revised introduction, revised and extended explanatory notes and recommendations for alternate aggregations. In the same period, work on the alphabetical indexes for ISIC, Rev.3, will be conducted.

15. Work on the revision of ISIC (for implementation in 2007) requires a thorough study of the conceptual basis for ISIC. Proposals from users should be evaluated for decisions on possible changes to the detail or structure of ISIC. The proposed optional

alternate aggregation elevating "information" to the two-digit level for the update published in 2001, will be evaluated for possible inclusion in the structure of ISIC itself.

16. The following points also bear on the above:

(a) The majority of the experts found that there were no compelling reasons to justify a major change in the next two to three years, nor was there time to do the preparatory work to modify the currently approved timing;

(b) In examining the strategies for harmonization and convergence of activity classifications, the Expert Group took note of a number of approaches, such as an agreed two-digit link for international comparison with a further three to five digits generated at the regional level and/or national level according to regional and national needs. To enable consideration of the level required for international comparison, the Expert Group requested the United Nations Statistics Division to verify the level of ISIC detail currently requested by United Nations organizations;

(c) The Expert Group observed that, with respect to convergence, there were two major groupings of derived or related classifications: the ISIC/NACE/ANZSIC[f]-related grouping and the NAICS-related grouping. The Expert Group believed that the proposed preparation of greater detail and alternative aggregations of ISIC would begin to serve this need for convergence;

(d) The Expert Group noted that ISIC continued to be overburdened with some of the requirements put on it, that is to say, uses for which it was not intended. It is largely recognized to be the only fully operational classification of economic activity. The 1993 SNA framework and system of classifications can and should address some of the applications to which ISIC is now being applied inadequately. Strategies explaining how best to do this should be prepared by members of the Technical Sub-group and presented at the next Expert Group meeting;

(e) For the longer term, the Group should look at the larger issues, for example, what needs to be done to enable statistical units to be classified to all the relevant classifications laid out in the 1993 SNA;

(f) Attention should be paid to countries that are in transition and to those having fewer resources;

(g) The Expert Group agreed that, within the context of the 1993 SNA, both the establishment and the enterprise should be readily identifiable in statistical collection activities. Both statistical units are very important for ISIC and its derived economic analysis.

V. Update on implementation and further development of the Central Product Classification

17. The work plan approved by the Statistical Commission in 1999 will be supported by the work of the Technical Sub-group of the Expert Group. In this context, the World Customs Organization indicated that it would support the United Nations Statistics Division in updating the correspondences of the Standard International Trade Classification (SITC)[g] and CPC with the Harmonized System (HS).[h]

18. The Expert Group noted that action should be taken on the Classification by Broad Economic Categories (BEC)[i] in the twenty-first century. A study of the building blocks and recognition of the relevance of CPC for definitions will constitute needed steps.

19. The Expert Group noted that further consideration could be given to the possibility in the future of a consolidation of the purpose classifications in recognition of the important matrix relationship that Classifications of Expenditure According to Purpose had with the 1993 SNA classification of the institutional sector, and with the product classification (CPC). The United Nations Statistics Division indicated that it would discuss the matter further with the Intersecretariat Working Group on National Accounts (ISWGNA).

20. The Expert Group is being provided by the United Nations Statistics Division with the draft manual on statistics of international trade in services prepared by the Statistical Commission's Task Force on Statistics of International Trade in Services, for its review and comment before the end of January 2000, as part of the worldwide mail-out of the draft manual. Of critical importance to classification experts is the annex to the manual on classifications, showing the newly prepared Extended Balance-of-Payments Classification of Services (EBOPS) and the correspondence table between EBOPS and CPC.[j]

21. HS remains an important factor in the orchestration of classification updates and revision.

Both CPC and ISIC are now integrated with the schedule of updates and revisions planned by the World Customs Organization for HS, specifically for 2002 and 2007.

VI. Planning and coordination of training programmes and workshops on classifications

22. Classifications are an important factor in the development of economic and social indicators such as those presented in the General Data Dissemination System (GDDS). Given the important need of some countries and regions to catch up in the area of classifications, they should be considered an important aspect of indicator development, one requiring urgent attention.

23. The Expert Group recognized the importance of continuing United Nations workshops covering classifications and asked that work continue with respect to collaborating with important users of classifications in the conducting of workshops, including increased attention to the classifications of industry (activity) and product, and classifications of expenditure according to purpose, employment, occupation, education and health.

24. It was recommended that the conceptual and practical aspects of classifications (for example, in the form of case studies) continue to be incorporated in United Nations workshops, as they had proved to be very effective and important tools for learning the techniques of coding and for collectively gaining an understanding of the concepts underlying classifications.

25. Experts noted the importance of the implementation of the 1993 SNA and the national rounds of population censuses and related household surveys as driving forces for classification work. United Nations workshops covering the SNA and population and household censuses and surveys should increasingly be utilized for covering classification issues required of specialists implementing these large systems.

26. Materials prepared for United Nations workshops will be made widely available through the Classifications web site.

VII. Electronic communication and information dissemination on classifications

27. The Expert Group approved the proposal to implement the Classifications Discussion Forum by the United Nations Statistics Division, and to prepare an organized approach to managing the information covered by the Forum so that it would be completed collaboratively with, and would complement, the Classifications hotline and the Registry. The Forum will enable workshop participants, users of the Classifications hotline, classifications custodians, experts and other interested users to participated in a discussion of classification issues related to ISIC and CPC.

28. The Expert Group recommended that an informal sub-group be formed to discuss the different options, such as Extensible Markup Language (XML) and the United Nations Rules for Electronic Data Interchange for Administration, Commerce and Transport (EDIFACT) standard, for electronic exchange of classifications, and to report back thereon to the meeting of the Expert Group.

29. The Expert Group welcomed the work completed on the Glossary and its usefulness and agreed that it should be widely circulated for trial use by others. They asked that an edited version of the short Glossary be posted by the United Nations Statistics Division on its classifications web site so as to make it more widely available.

30. The Expert Group commended the extensive work that had been completed by the United Nations Statistics Division on the United Nations Classifications web site, the Classifications hotline, the system of interpretation and rulings, the development of the classifications database and the Registry and asked that this work be continued and strongly supported.

VIII. Progress and update on classifications of education, occupation, time use and procurement

31. Presentations were made by the representative of the United Nations Educational, Scientific and Cultural Organization (UNESCO) with regard to current activities concerning the development of the 1997 International Standard Classification of Education (ISCED), by the representative of the United Nations Development Programme (UNDP) with regard to

current activities concerning the maintenance of the United Nations Common Coding System for Procurement (UNCCS), by the representative of the International Labour Organization (ILO) with regard to training activities for the International Standard Classification of Occupations (ISCO)[k] and the International Classification of Status in Employment (ISCE)[l] and by a representative of the United Nations Statistics Division with regard to time use (www.un.org/Depts/unsd/timeuse/inter.htm).

32. The Expert Group agreed that it would be helpful if the development of the trial International Classification of Activities for Time-Use Statistics could be put in the agenda of its next meeting and be reviewed more thoroughly by the Expert Group in the context of its important relationship with other members of the international family of classifications, most notably ISIC.

B. Summary action plan of the Technical Sub-group

33. At its meeting held from 15 to 17 November 1999, the Expert Group on International Economic and Social Classifications decided to establish a Technical Sub-group. This Technical Sub-group was asked to take action on the implementation of the proposed programme on ISIC and CPC as a first priority and to report back to the Expert Group, through the United Nations Statistics Division, on progress.

34. Based on the programme guidelines set out by the Expert Group, the Technical Sub-group at its first meeting, held from 18 to 20 November 1999, discussed the following projects and prepared for action thereon:

ISIC update

35. The update is intended to make the current version of ISIC easier to apply and to reflect important changes in the general economic structure. The action items for this project include:

April 2000

(a) Preparation of an economy-wide aggregation that incorporates the information sector as defined in NAICS;

July 2000

(b) Draft of the alphabetical index (English) for ISIC, Rev.3;

August 2000

(c) Revised and extended explanatory notes, especially for the services sector;

(d) Elaborated definition of high-level categories;

(e) Review of existing aggregations for energy, environment and tourism and consideration of an aggregation for information and communication technology;

Ongoing discussion in 2000

(f) Elaboration of detail for agriculture and fishing;

(g) Treatment of households for labour-force surveys and its reflections in ISIC;

February 2001

(h) Presentation of final draft of updated ISIC, Rev.3, to the Statistical Commission;

2001

(i) Publication and dissemination of ISIC, Rev.3, update.

ISIC revision

36. The work on the next revision of ISIC, to be published in 2007, has already begun. This includes identifying problem areas and possible solutions and a general review of the underlying principles of ISIC. The established timetable for this project includes:

2004

(a) Finalization of draft of revised ISIC, circulated worldwide for comment;

February 2005

(b) Presentation of final draft of revised ISIC to Statistical Commission;

2006

(c) Preparation for publication (editing and translating in all languages of the United Nations);

First quarter 2007

(d) Implementation of revised ISIC.

Current work on CPC Version 1.0

37. Detailed correspondence tables between CPC Version 1.0 and provisional CPC will be final in December 1999.

38. The proposal for definition and breakdown of the new CPC group 733 (Of non-financial assets) is under final review. Correspondence issues with provisional CPC have been resolved.

CPC update

39. The following have been identified as action items for the next meeting and relate to completing an updated version of CPC by 2001:

(a) The proposal to remove or more clearly explain the use of non-produced assets, that is to say, Divisions 51 and 52; and the reconsideration of the positioning of buildings/constructions (Division 53) will be discussed at the next meeting;

(b) Review of the correspondence between the Extended Balance-of-Payments Services classifications (EBOPS) and CPC by September 2000;

(c) A decision on the proper interpretation of "wired", "wireless" and "satellite" communications and its implications for the EBOPS-CPC correspondence;

(d) The proper treatment of "bundled products" (for example, combined payment for different types of transport), a problem that came out of the CPC-COICOP correspondence.

Other

40. The Expert Group agreed on the need for the Balance-of-Payments (BOP) Manual (BPM5) to have a set timetable for change, with the goal of improved correspondence with CPC by 2007. Close cooperation between the BOP Manual project team of the International Monetary Fund (IMF) and the custodians of CPC is necessary.

41. The need for an EBOPS-ISIC correspondence has to be discussed further.

42. The next meetings of the sub-group are scheduled for May 2000 (Luxembourg) and October 2000 (Ottawa, Canada).

Notes

[a] *International Standard Industrial Classification of All Economic Activities*, Statistical Papers, No. 4, Rev.3 (United Nations publication, Sales No. E.90.XVII.11).

[b] *International Standard Industrial Classification of All Economic Activities*, Statistical Papers, No. 4, Rev.2 (United Nations publication, Sales No. E.68.XVII.8).

[c] *Central Product Classification (CPC), Version 1.0*, Statistical Papers, No. 77, Ver. 1.0 (United Nations publication, Sales No. E.98.XVII.5).

[d] Commission of the European Communities, International Monetary Fund, Organisation for Economic Cooperation and Development, United Nations and World Bank, *System of National Accounts, 1993* (United Nations publication, Sales No. E.94.XVII.4).

[e] *North American Industry Classification System*, published by authority of the Minister Responsible for Statistics Canada, Minister of Industry, 1998, Ottawa, Canada (Statistics Canada, Catalogue No. 12-501-XPE).

[f] *NACE, Rev.1: Statistical Classification of Economic Activities within the European Community* (Luxembourg, 1996); and *Australian and New Zealand Standard Industrial Classification 1993 (ANZSIC)*, Australian Catalogue No. 1292.0, Canberra, Australia/New Zealand Catalogue No. 19.005.0092, Wellington, New Zealand.

[g] *Standard International Trade Classification, Revision 3*, Statistical Papers, No. 34, Rev.3 (United Nations publication, Sales No. E.86.XVII.12 and corrigenda).

[h] World Customs Organization, *The Harmonized Commodity Description and Coding System*, 1996 version (Brussels, 1996).

[i] *Classification by Broad Economic Categories Defined in Terms of SITC, Rev.3*, Statistical Papers, No. 53, Rev.3 (United Nations publication, Sales No. E.89.XVII.4).

[j] Draft manual on statistics on international trade in services, prepared by the Statistical Commission Task Force on Statistics of International Trade in Services (European Commission, International Monetary Fund, Organisation for Economic Cooperation and Development, United Nations and the World Trade Organization), 5 November 1999.

[k] International Labour Organization, Bureau of Statistics, Geneva, International Standard Classification of Occupations (ISCO-88) (http://www.ilo.org/public/English/120stat/class/isco.htm).

[l] See resolution concerning the International Classification of Status in Employment (ISCE-93), contained in the report of the Fifteenth International Conference of Labour Statisticians, January 1993, annex III.